

Town of Bedford Finance Committee

Town Hall, Selectmen's Meeting Room

December 5, 2013

Members in attendance: Rich Bowen, Tom Busa, Stephen Carluccio, Bob Kenney, Elizabeth McClung, Barbara Perry, Stephen Steele (acting Chair), Ben Thomas.

Others in attendance: David Coelho, *School Department Finance Director*; Gretchen Carey, *DPW Recycling Coordinator*; Dave Enos, *resident and proposed solar coach*; Suzie Enos, *Energy Task Force*; Brad Hafer, *School Committee*; Aubrey Jaffer, *Transition Towns*; Victor Garofalo, *Director of Finance and Collector/Treasurer*; Ann Guay, *School Committee*; Michael McAllister, *School Committee*; Bill Moonan, *Selectman*; Rick Reed, *Town Manager*; Ed Pierce, *School Committee*; Abbie Seibert, *School Committee*; Kim Siebert, *FinCom Recording Secretary*; Mark Siegenthaler, *Selectman*; Jon Sills, *Superintendent of Schools*.

School Budget, initial presentation: Superintendent Sills presented an overview of the drivers behind a requested FY15 base budget of \$34,214,568, which represents a 6.7% increase over the FY14 budget of \$34,214,568. The three primary drivers are:

- Educational paradigm shifts that have happened over time, away from rote memorization and toward individualized learning with higher societal/community expectations that have changed the way schools operate and how teachers teach;
- Numerous state and federal mandates;
- Rising student population numbers (300+ since 2004) and an increasingly complex needs (English language learners, special educational services, remedial support services)

Staff increases across the system to address the above make up much of the proposed \$2,292,291 increase.

Breakdown of Classroom FTEs additions that address student enrollment numbers, totaling and additional \$513,432

Davis School= \$131,361.00

1 or 2 classroom FTE (full time equivalents), depending on next fall's kindergarten numbers.
.1 additional Art

Lane School=\$62,553.00

1 classroom FTE to accommodate class size concerns

Bedford High=\$319,518.00

1.0 FTE in each of the following: English, Math, Science, Foreign Language, and a full-time TA in Directed Study.

.6 FTE for PE/Health

Mr. Sills said that even with the proposed additions, 32 BHS classes will still be over-populated.

Breakdown of additional staff to address mandates— Special Education, English Language Learning (ELL), and the technology needed to administer the new PARCC assessments that will replace MCAS— totaling an additional \$ 436,339:

1 TA FTE at JGMS: \$22,983

2 ELL FTE at Davis: \$125,106

.2 FTE at BHS: \$12,510

1.0 FTE School Psychologist: \$88,368

.5 Adjustment Counselor at Lane \$29,350

1.0 FTE TA at JGMS: \$22,983

1.5 TA FTE for the Integrated Pre-school: \$34,474

Consultant for Integrated Pre-school: \$12,240

Bus monitors: \$8,000

Classroom iPads/Computers: \$80,325

Other factors:

Salary “steps and lanes” amount to an additional \$414,054.

A new Assistant Superintendent hire to replace the current interim will add another \$65,000.

SPED out of district placement is expected to increase by 1.27% over FY14 or \$69,515.

Mr. Sills also presented a chart showing SPED out-of-district placement avoidance savings of \$3,622,763, saying that the creation of in-house programs to provide student services has largely been successful.

Two additional drivers were noted:

- Rising utility costs
- Collective bargaining and non-union employee COLA pay increases

During the Finance Committee comments/questions period following the budget presentation, Mr. Busa asked what the expected collective bargaining salary increase would be. Mr. Sills responded that it would be 3% for the first year of a three-year contract in addition to 2% step increases but that he could not plan further ahead since contract negotiations have not yet played out.

Mr. Busa pointed out that this represents a 5% increase in one year— or a 15% increase over three years— which is higher than the town revenue increase of 7.5% over the same period. Mr. Sills responded that he does not predict similar increases for all years of the upcoming contract. He added that in order to eliminate the step system, teachers would have to be hired in at a higher initial rate in order to be competitive with comparable school districts— something along the line of \$75,000 a year compared to \$60,000. Mr. Sills said it might be worth looking at doing this but that the initial impact on the Town’s finances would be great; Mr. Busa countered that since the biggest part of the school budget increase— the salary line item—is growing faster than the revenue growth of the town, it is difficult for FinCom to approve it, together with other requested school budget increases.

Mr. Kenney asked what percentage of teachers is currently at the top step and what percentage in lower step mode. School Committee Chair Pierce answered that the divide in recent years has been approximately 50% in each category. Mr. Pierce added that during the last contract negotiation, teachers did the town a favor by delaying step increases and that those at the top step had a 2% total increase over three years compared to those still climbing the steps who received 5%. Mr. Pierce said that on the school side, using the step scale that was started in the 60’s, it takes a teacher 13 years to gain full professional pay while on the town side it takes 3-5 years.

Mr. Busa asked about “teaching to the future”—a phrase that was used in a video included by Mr. Sills in the presentation material. If this is a goal, Mr. Busa said, why is French still being taught in Bedford? Mr. Sills answered that parent/community expectations have kept French in the curriculum; replacing it with a language more relevant to the modern day has been under consideration. He added that curriculum change/ adaptation is a process that the Schools are dedicated to but it doesn’t happen overnight.

Mr. Bowen asked that the Schools provide an index relating to average teacher salaries, specifically the total salaries paid to non-SPED/regular professional teachers divided by FTEs for FY12, FY13 (actuals), FY14 (current), and FY15 (projected).

In response to Mr. Bowen’s request for periodic updates to homeless student transportation costs, Mr. Steele distributed a chart that shows student numbers per grade, the current total (46 as of 12/2/13) and transportation costs for the current academic year (Aug. through Nov.) totaling \$115,575.

Mr. Carluccio requested a 10 year budget summary history that includes information on enrollments and FTEs. In response to Mr. Carluccio’s question about which employee contracts are now up for negotiation, Mr. Sills and Mr. Coelho said that both professionals and para-

professionals are involved. Mr. Carluccio said that diligent oversight of labor costs is the only way to be able to be able to afford the cost of the mandates.

In response to Mr. Carluccio's question about what would happen to budget increases driven by "trends" in town such as the homeless population, Mr. Sills noted that it does not appear as though the state's homeless numbers will subside any time soon. He added that even without the homeless students, the increasing complexity of needs of the rest of the student population are such that the budget increases being proposed now to cover the educational needs of the homeless students would be absorbed elsewhere.

With regard to homeless numbers, Mr. Steele said that Representative Ken Gordon told him there are 22 fewer families at the Plaza now than on Oct. 1. Mr. Sills said that although the total number of families may have gone down, the total number of children being schooled in Bedford remains at 46.

Mr. Carluccio asked whether or not there would eventually be cost savings as the iPad program matures. Mr. Sills responded that savings are still hoped for through avoidance of textbook purchases but that textbook publishers have monopolized online alternatives to continue to maximize their profits. To find ways to compensate, the Schools are looking into "open course" materials. In some cases, the Schools are also using online distance learning but Mr. Sills said the option is suitable for some accelerated learners but not for the general student population.

Ms. Perry continued with concerns about the iPad program, saying the implementation had been premature and that the schools had been unready to maximize the technology, especially given the cost. Related to transportation, Ms. Perry asked whether the budget line item listing a level allocation would be adequate once the new transportation contract is negotiated.

Mr. Coelho replied that the new contract could be handled in a couple of ways: one with a large jump in the first year of the contract and then level-funding afterward and another with the jump spread between the contract years. Ms. Perry said that in years past when the transportation contract is being renegotiated, a certain amount has been set aside in anticipation of a cost increase in the new contract. Mr. Coelho replied that he has no knowledge at this point of what the increase cost might be and indicated there is nothing in the School Committee Reserve to offset the increase. Ms. Perry asked Mr. Coelho to come up with a "plug number" as a placeholder for the anticipated increase, based on previous increases in new contract years. Mr. Coelho believed the last contract increase was about \$72,000.

Mr. Kenney asked about class-size guidelines. Mr. Sills said at K-2, the range is 18-21; at Lane, the number is 20-22; at JMGS and BHS, the guideline is 25 except for levels of classes where remediation is needed. He added that he believes 25 students in a classroom at JGMS is already

a stretch, considering the mixture of abilities within the wide heterogeneity of learning groups there that increases the difficulty of differentiated instruction.

Ms. McClung asked whether the Schools had considered creative ways to deal with larger class-sizes at BHS, particularly with higher-level learners. Mr. Sills said that the large class sizes have affected students at all levels, not just the higher levels. He added that the high school is not considering a move to lecture-style class formats to accommodate larger numbers because even high-level students must be engaged. He said some combining for some sections of the curriculum has been considered, but the complexity of the schedule makes combining difficult.

Ms. McClung asked whether online subscriptions to curriculum material versus buying a physical textbook makes sense since the cost for a subscription was yearly and a textbook was a one-time expense. Mr. Sills responded that textbooks, especially Science textbooks, have a short shelf life and that textbooks also have to be replaced when lost. The calculation between the two costs over 6-7 years shows that the online subscription is worth doing, although the savings are not great.

Ms. McClung asked what the COLA had been for the last few years. Mr. Coelho said it had been .5%, then another .5%, then a split of 1% in the first part of this year and another 1% in January.

Ms. McClung added 3% seemed high, that different COLA percentages could be considered for different levels of seniority and that other school districts were pulling back on COLA increases.

Ms. McClung also advocated keeping French as a subject that could evoke a “joy of learning” and “nurture the soul” that wasn’t part of a mandate-driven requirement.

Ms. McClung asked whether students could bring in their own iPads and thus save the Town having to purchase them. Mr. Sills replied that other systems have tried to go that route and it hasn’t worked well. Devices have to be loaded with the same programs, platforms and applications which can best be done on School-owned and maintained devices. Mr. Sills predicted in the future there will be more universality among devices, making student-owned technology use more successful.

Ms. McClung then asked whether efforts to conserve of energy and paper were being made in the schools. Mr. Coelho answered that Facilities Director Richard Jones had made great strides in energy conservation. The problem now is that utility rates are climbing. As for paper use, Mr. Coelho said many teachers had taken paper-saving initiatives but it is an on-going process to educate staff about conservation.

Ms. McClung asked about the kindergarten parent survey, conducted as an attempt to understand where all the additional kindergarten students came from this year. Mr. Sills said

that 169 out of 204 parents responded. 29 of those families had moved into town in the last year; 12 came because of the change to a full-day program. Without surveying everyone in town and without access to information realtors have about move-ins, the number of incoming students will retain an element of surprise.

Mr. Kenney asked what the percentage of SPED students is. Mr. Sills replied that it's about 15%.

Mr. Thomas said it is not mathematically possible to continually grow Town department budgets at a faster rate than Town revenue. He pointed out that the difference between what the School budget would increase if kept to the FinCom guideline of 2.88% and what the Schools propose at a 6.7% increase is more than the entire Library budget and 2/3 of the Fire Department budget.

Mr. Thomas asked when the PARCC testing will begin because the number of iPads requested seems more than immediately needed. Mr. Sills replied that field testing of portions of the test will begin this year in most school districts. Next year, every district will be able to choose to do all MCAS testing or begin PARCC testing. In the winter/spring of 2016, every district will administer PARCC. He added that the iPads will be used for differentiated instruction outside of the testing periods. Once PARCC testing is instituted, computer use rather than paper and pencil test taking is advantageous for best results.

Mr. Thomas asked about the need to add an FTE at Lane since the addition makes classroom counts lower than guideline. Mr. Sills said he would re-examine the number and convey the specific figures back to the Committee.

Mr. Thomas wondered why the Schools are expected to provide enough wifi bandwidth at the high school to accommodate more than one device per student. Mr. Sills replied that there are two systems—one public, one private—and students only have access to the public system. Given the infrastructure added with the building renovation, even laptop carts being used simultaneously can overload the system. The universality of individual cell phone use among teachers and students can overtax the system as well and the number of access points was increased as a result.

Mr. Thomas disagreed that it's the Schools responsibility to provide free access at an expense to the Town. Mr. Steele concurred, saying that if cell users want to use their phones, they can use their minutes. Mr. Sills said he will provide information about the capacity needed to support in-school iPads use.

In response to questions from Mr. Thomas and Mr. Steele, Mr. Sills said that some teachers are writing their own curriculum and some classrooms—math and foreign language, notably— are being “flipped,” although progress on this front has not been smooth. Mr. Sills said that the

iPad program was implemented before a fully-realized plan for how to proceed was determined. There are ways that iPads are transforming the high school, including in-the-moment class-time assessment but how to gauge success is a continual question. Assessment and collaboration are two notable areas where practices are changing dramatically.

Mr. Sills added that Bedford High has been written up in a recent science journal because it participated in a Smithsonian Institute astronomy project through Harvard that examined whether iPads enhanced science learning. Mr. Sills said he'll make a presentation on how the iPad program is working and also arrange a visit to the high school so FinCom members can see how the one-to-one initiative is working first-hand.

Mr. Thomas said it was important for the Finance Committee to know that the money allocated to the Schools for teacher evaluations and professional development related to the transition to the Common Core and Race to the Top has been used responsibly. Mr. Sills said that the State just published results of teacher evaluations, although the assessment measurements were admitted to be faulty. Bedford deliberately refrained from deeming teachers "exemplary; the majority ranked "proficient." Mr. Sills will send the link to the assessment figures to Mr. Thomas.

Mr. Busa asked if the computer replacement program was ongoing. Mr. Sills said that it is and that many classroom computers in Davis, the recipient of computer hand-me-downs—have not worked well because the old models are too slow. Mr. Busa requested a chart of all the computers in all the schools, including a letter grade that indicates how well they function.

Mr. Sills said that BHS will need 50 replacement iPads plus 50 additional iPads for the anticipated new students.

Mr. Coelho spoke about how the iPads leasing works and how they are repaired when broken. Mr. Sills added that new computers for Lane and Davis are being funded from the difference between a projected FY14 need for 200 iPads and an actual need for 100 iPads. Mr. Sills said that both desk top computers and iPads will be used for PARCC tests. The three-year lease for a packet of ten iPads is about \$379 including software applications, with payments spread out over the lease period. First year costs include software but subsequent years costs are for the Ipad alone. Parents buy their own insurance. Mr. Sills said he would prepare a breakout of iPads, apps, cases and carts.

Additional information requested by FinCom from the Schools:

- Average teacher salary index FY12-FY15
- Homeless student transportation costs
- A ten-year enrollment and FTE summary

- Follow up with Ken Gordon about disconnect between fewer overall families at the Plaza and steady school-age population
- A “plug number” placeholder for the anticipated transportation contract increase
- Lane School classroom counts without an additional FTE
- How much capacity is needed to support in-house iPad use
- Mr. Sills will make a presentation on the iPad program and schedule a visit to the high school to see how the one-to-one program works
- Mr. Sills will send Mr. Thomas the link to the State’s teacher assessment document
- A chart of all computers including a letter grade that indicates how well they function
- Breakout accounting of iPads, apps, cases and carts

Reserve Fund Transfer Request: DPW

Town Manager Reed referred to the matter of a budget amendment request \$3,400 made by the Selectmen just prior to Special Town Meeting. FinCom expressed discomfort at the time making a decision on the matter without enough time and information. The Selectmen then withdrew the request with the understanding the issue would be reintroduced at a later time as a Reserve Fund transfer request.

The reason for the request is a residential solar energy grant opportunity through the state’s Solarize Massachusetts. Bedford, in partnership with the Town of Lexington, submitted an application to be part of the program and the application was approved. In order to comply with the terms of the grant, a municipal administrator must be named. Mr. Reed said Gretchen Carey, the DPW’s part-time Recycling Coordinator, was identified as the best candidate. Estimates of staff time needed to administer the program are approximately 100 hours and funding for compensation is needed.

As a participant in the program, the town receives \$2,500 from the state to help offset expenses other than staff time. A resident solar coach must also be appointed as a reference resource. Residents benefit from the program because they are able—but not obligated—to work with a curated, pre-qualified solar installer at a bulk-buying discount.

After clarifying the terms of the program and receiving assurances of his commitment from Mr. Enos, the proposed solar coach, Mr. Busa stated that the request met the criteria for a Reserve Fund transfer.

The motion was therefor made **“to approve a zero fund transfer in the amount of \$3,400 for the Public Works salary segregation” was made by Mr. Bowen, seconded by Mr. Busa. The vote was unanimous, 8- 0- 0.**

Guideline

Mr. Garofalo said that the guideline has gone out and all departments are aware of the percentage increase. Strategies for funding capital requests will be discussed at the next FinCom meeting as well as at 3 other upcoming meetings: Capital Expenditures, Community Preservation, and Fiscal Planning.

Mr. Steele asked why total capital requests are going down when he believes the total should be going up. Mr. Garofalo said that the new capital asset management system is an evolving one. He added the needs of a lot of the major buildings have been addressed. Of \$9m in requests this year, \$3m is the Town Hall MEEP project.

Given the late hour, Mr. Garofalo declined to go through the model but said that the FY15 capital project allocation is exactly \$1.5m. Mr. Bowen congratulated Mr. Garofalo on the housekeeping he's done putting everything in the proper place within the budget model. He added that everything that is eligible for Community Preservations funds should come before that committee for consideration.

New Business

Mr. Thomas reported that the Board of Health is starting to look at its budget based on the guidelines and they have some concerns. Whether the school nurses should be Health or School employees is an ongoing discussion.

Ms. McClung attended the Historic Preservation Commission meeting. She reported that they want to spread funding for historic plaques over two budget periods.

HPC also discussed the National Historic Register; residents expressed concern that restrictions would be placed on what they could do to their homes. The HPC attempted to quell those concerns. It was noted that if the National Register area were to be expanded, additional funding in the form of matching grants would become available to the town.

HPC also noted that the Bedford Rotary funded the "Town of Bedford" sign at the corner of Great Road and Shawsheen. Rotary also offered to fix up the entrance to the Shawsheen Cemetery, but the offer was turned down by the Town. Speaking for the Selectmen, Mr. Moonan and Mr. Siegenthaler said they recalled the offer and that it was turned down because the project would have been subject to the municipal bidding process and it couldn't be done by volunteers.

Ms. Perry said Capital Expenditures now has \$9m in requests in front of them for FY15. CapEx will meet with Community Preservation to ask CP to consider funding all the projects identified as eligible. Additionally, CapEx has agreed to not recommend allocation of any funds for road maintenance/improvements because they recognize there is funding available elsewhere.

Ms. Perry added that CapEx is concerned about ongoing funding requests from the school for technology and also that CapEx does not recommend funding the Town Hall MEEP project. Members agreed to leave it on the list but give it a low rating.

Minutes

Three sets of minutes were **approved**.

November 14: After amendments, **the motion to approve the minutes of November 14** was made by Mr. Carluccio, seconded by Mr. Bowen. **8- 0- 0**

November 21: After amendments, the **motion to approve the minutes of November 21** was made by Mr. Carluccio and seconded by Mr. Bowen. **8- 0 – 0**

November 4: With no amendments, a motion to approve the minutes of November 4 was made by Mr. Thomas, seconded by Mr. Carluccio. **6- 0- 2**

The vote to adjourn the meeting was unanimous, 8- 0- 0.

Respectfully submitted,
Kim Siebert, Recording Secretary